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SIPDIS

SENSITIVE

STATE FOR E, EB/IFD/OMA AND EUR/SE  
TREASURY FOR OASIA - MILLS AND LEICHTER  
STATE PASS USTR - NOVELLI AND BIRDSEY

E.O. 12958: N/A  
TAGS: ECON EFIN PREL TU  
SUBJECT: TURKISH BUSINESS LEADER CRITICIZES AKP; SEEKS U.S.  
ASSISTANCE IN LETTER TO AMBASSADOR

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¶1. (U) In a January 13 news conference in Istanbul, Turkish Industrialists and Businessmen Association (TUSIAD) Chairman Tuncay Ozilhan criticized the new AKP government for its loosening of fiscal discipline and its failure to take a stand on the Iraq issue. "We don't need any of this in such a critical period for Turkey," he said. "The society was expecting a consistent and determined performance from the government with the power of a single party government, but faced a contrary picture." On the Iraq issue, Ozilhan said that while he would prefer a peaceful solution, he said the government needed to cut its losses and give its allies "a rational amount of support." He added that "as a democratic country Turkey must never stand by a totalitarian regime."

¶2. (SBU) Privately, in a letter to Ambassador Pearson dated January 10, Ozilhan reserved some criticism for U.S. policy; specifically, the lack of a determined compensation package. Ozilhan stated that Turkey had never fully recuperated from the losses it incurred from the Gulf War and complained that the U.S. had never fully delivered on economic assistance it promised.

¶3. (SBU) BEGIN TEXT OZILHAN LETTER

H.E. Robert Pearson  
U.S. Ambassador  
Embassy of the United States  
Ankara

Dear Mr. Ambassador,

Developments in our part of the world are unfolding rapidly and their management to minimize undesired consequences is of utmost importance. In this regard, the cooperation between our two countries is crucial and I am happy to observe that the spirit of partnership and alliance is prevalent all around.

What are also of importance are the existing perceptions in our two countries and of course, I can only talk about mine. I am writing to you in order to underline their importance so that we would be aware and, if possible, try to contain them so that they would not be an inhibiting factor for the development of the aforesaid relations. I am referring in particular to the consequences of the first Gulf War. This, as has been pointed out by many on various occasions, has inflicted a most serious economic damage to Turkey. Much has been promised, discussed, elaborated but little has materialized to recuperate the damages incurred from this operation.

Similarly, following the tragic events of 9/11 and during the Afghan operation, the subject of strengthening Turkey's economic capabilities has also been discussed, elaborated and explored. Various ideas were floated - qualified industrial zones, quota increases, and preferential trade regimes, etc. - none of which have borne any tangible results although a lot of time has elapsed since.

At this point I beg your understanding on the following point: I have observed that during your discussions with our authorities you are again referring to "best efforts" for American endeavors to make up for the losses of Turkey should there be another operation in Iraq. This statement, I am sure you would agree with me, is simply not sufficient to

alleviate the concerns of the Turkish public opinion in general and the business community in particular. Furthermore, this inhibits our deliberations to support our Government in realizing an even more comprehensive frame of cooperation between our two countries.

In short, Mr. Ambassador, I think it is of paramount importance that Turkey is supplied with more than "best efforts" and a solid commitment with realistic parameters is put in place so that we will not be subject to the skepticism towards the West which was exacerbated as a result of unrealized desires of support and solidarity.

This of course does not imply at all that we are unappreciative of all the support extended by the U.S. on issues like Turkey's relations with the IMF/World Bank and during the Copenhagen Summit of the EU in December for which I would like to take this occasion to express heartfelt gratitude.

I felt the need to underline the above so that the already excellent relations that exist between our two countries would be further developed and not flawed by disappointments.

I would also like to take this opportunity to extend to you and your family my best wishes for the New Year.

Kindest personal regards,

TUNCAY OZILHAN  
Chairman of the Board  
END TEXT OZILHAN LETTER

14. (SBU) Comment: Ozilhan is generally a reasonable voice in the Turkish constellation as demonstrated by his supportive comments on economic reform and Iraq. His stress on the need for something concrete from the U.S. on the economic/trade side is a clear signal of how Turkish public attitudes towards U.S. policies can be shaped.  
PEARSON